



STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
**DEPARTMENT OF CORPORATIONS**  
California's Investment and Financing Authority

**NEWS RELEASE**

**04-43**

**Arnold Schwarzenegger, Governor**

**William P. Wood, Commissioner**

FOR IMMEDIATE RELEASE  
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**California Department of Corporations Orders Mortgage  
Licensee to Discontinue Unsafe Lending Practices**

**SACRAMENTO ---** The California Department of Corporations issued orders against a California Residential Mortgage Lending Act licensee for conducting business in an unsafe and injurious manner to consumers, the Department announced today.

The State of New York Banking Department notified the Department of Corporations that they suspended Olympia Mortgage Corp.'s mortgage banker license for 30 days, effective October 28, 2004, for diverting mortgage payments and proceeds on at least 270 loans totaling \$35 million. Based on the suspension by the New York Banking Department, the California Residential Mortgage Lending Act authorizes the Department of Corporations to take action against the licensee in California.

The California Department of Corporations ordered Olympia Mortgage Corp. to immediately establish separate trust accounts for California borrowers. In addition, the Department further ordered Olympia Mortgage Corp. to cease engaging in unsafe and injurious practices and to discontinue violating the California Residential Mortgage Lending Act.

Olympia Mortgage Corp.'s main office is located in Brooklyn, New York and branches in California are in San Diego, Glendale and San Jose.

The Department of Corporations is California's Investment and Financing Authority, reporting to the Business, Transportation and Housing Agency and the Governor. The Department is responsible for the regulation, enforcement and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending and residential mortgage lending. For further information or to obtain a complaint form, see the Department's Web site at [www.corp.ca.gov](http://www.corp.ca.gov) or call 1-866-ASK-CORP (1-866-275-2677).